

16 NOV 1964

MEMORANDUM FOR: Chief, Administrative Staff, DD/I
SUBJECT: Procurement Policy

1. This office has been directed by the Deputy Director for Support to implement the Director's policy in regard to procurement activities of the Agency as set forth in his memorandum of 15 October 1964 to the Deputy Director of Central Intelligence. Colonel White addressed a memorandum to the DD/S, DD/P and DD/SET on 28 October 1964 in which he stated, "I should like to request that effective immediately all proposals, other than technical 'state of the art' explorations, be obtained in writing by or through the Office of Logistics."

2. This office is rewriting the Procurement Handbook, and will circulate the revision to you for comments at a later date.

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3. Since we have been directed by the DD/S to implement the policy as soon as possible, we are desirous of discussing related problems with you at a meeting which we will establish at a time that is agreeable to you.

4. In preparation for this meeting, I suggest that you and your staff consider the following proposed procedure:

a. Appendix A should be initiated by your activity to Chief, Procurement Division, requesting that proposals be obtained. In paragraph 2.3., you would list those companies from whom you desire proposals. Assuming no security restrictions or limitations, the Procurement Division may add one or more sources from whom proposals would be requested. It is suggested that the attachment to your memorandum indicating scope of work, deliverable items, and other related information would be on a multilith unit so that it may be reproduced by the Procurement Division in the number of copies required.

b. Appendix B would be the format to be used for unclassified requests for proposals. These would, of course, be addressed to the contractors involved by the Contracting Officer in a form letter as indicated. Variations in the format may be necessary from time to time.



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c. Appendix C is the format to be used in requesting proposals on classified contracts other than production type contracts.

d. Appendix D would be used for production type contracts on an unclassified basis and also for procurement of proprietary shelf-type items.

e. Appendix E would serve the same purpose as Appendix D., except that it would be used for classified procurement of production type items.

5. It should be noted that copies of the proposals will be sent to the technical component by the contractor. Upon receipt of all the proposals involved, your activity would review the proposals from the standpoint of technical content and would recommend to the Procurement Division that proposal which was most responsive and appeared to be most likely to fill the Agency's requirements. You would then recommend to the Procurement Division that negotiation be conducted with a specified source. In the case of production type items, if the award recommended were to other than the low bidder this would have to be adequately justified. In the case of research or development, justification for the recommended award would be on the grounds of the technical proposal as well as price or cost. In such cases, the Procurement Division would then negotiate the most satisfactory type of contract with the source which you have recommended for selection.

6. It is believed that the above, together with the attachments, will provide a basis for discussion of the implementation of the policy.

FOIAB3B

ALAN M. WARFIELD
Director of Logistics

Enclosures:
Appendices A through E

Distribution:
Orig. & 1 - Administration
1 - CI, Classified File
2 - CI/IS
1 - S/S Group

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